

Message Text

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PAGE 01 SINGAP 00925 010305Z
ACTION EB-08

INFO OCT-01 EA-10 ISO-00 COME-00 CIAE-00 INR-10
NSAE-00 STR-07 /036 W
-----070221 010641Z /14

R 280900Z FEB 78
FM AMEMBASSY SINGAPORE
TO SECSTATE WASHDC 9730
INFO USLO PEKING
AMEMBASSY TOKYO
AMEMBASSY TAIPEI
AMCONSUL HONG KONG
CINCPAC

LIMITED OFFICIAL USE SINGAPORE 0925

CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: EQIP, CH
SUBJECT: PRC INTEREST IN BUYING JACK-UP RIG FROM BETHLEHEM
SINGAPORE

1. SHERMAN PERRY, MANAGER OF BETHLEHEM SINGAPORE PTE. LTD.,
HAS RECENTLY RETURNED TO SINGAPORE FROM PEKING AFTER 17 DAYS
OF DISCUSSION WITH PRC OFFICIALS CONCERNING CHINESE PURCHASE
OF A BETHLEHEM-TYPE JACK-UP RIG NOW UNDER CONSTRUCTION IN SINGAPORE.
PERRY WILL RETURN TO PEKING AFTER A FEW DAYS HERE TO ASSEMBLE
FURTHER COST FIGURES AND OTHER DATA DESIRED BY THE CHINESE.

2. ACCORDING TO PERRY, CHINESE INTEREST IN PURCHASING RIG IS
INDICATED BY FACT THEY HAVE ASKED HIM NOT TO OFFER IT FOR SALE
TO ANYONE ELSE UNTIL THEY HAVE MADE THEIR DECISION. PERRY IS
AGREEABLE, HOPING THAT SALE OF THIS ONE RIG MAY LEAD TO FURTHER
SALES. ALTHOUGH IN THEIR FORMAL DISCUSSIONS WITH HIM THE CHINESE
HAVE NOT SPOKEN OF BUYING MORE THAN ONE RIG, HINTS HAVE BEEN
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DROPPED INFORMALLY THAT SUCH MIGHT BE THE CASE IF THEY FIND INITIAL
PURCHASE ARRANGEMENTS AND RIG PERFORMANCE SATISFACTORY.

3. CHINESE APPARENTLY HAVE RESERVATIONS CONCERNING THE MAT-
TYPE JACK-UP RIG BUILT BY BETHLEHEM BASED ON UNFAVORABLE EX-
PERIENCES WITH THE "FUJI", WHICH WAS PURCHASED FROM JAPAN AND
IS OF DESIGN SIMILAR TO THAT OF BETHLEHEM RIG ALTHOUGH SMALLER.

PERRY HAS DEVOTED CONSIDERABLE TIME TO EXPLAINING MERITS OF MAT-TYPE RIG WHEN PROPERLY HANDLED. ADDITIONAL PROBLEM IS THAT CHINESE WANT TURNKEY ARRANGEMENT, WHEREBY RIG WOULD BE TURNED OVER FULLY EQUIPPED INCLUDING BLANKETS ON BEDS AND DISHES IN MESS HALL. THIS IS NOT USUAL CONDITION IN SALE OF RIGS.

4. YET ANOTHER PROBLEM FOR PERRY IS THAT CHINESE HAVE SPECIFIED CATERPILLAR DIESEL ENGINES. ALTHOUGH RIG COULD BE COMPLETED BY OCTOBER IF BETHLEHEM WERE GIVEN MORE FREEDOM IN SELECTION OF EQUIPMENT, PERRY IS DOUBTFUL THAT NECESSARY CATERPILLAR DIESELS WOULD BE OBTAINABLE BY THIS TIME.

5. NEVERTHELESS, PERRY REMAINS VERY OPTIMISTIC ABOUT PROSPECTS FOR SALE. HE WILL BE CONTACTING USLO UPON RETURN TO PEKING.

6. PLEASE TREAT THIS REPORT AS COMMERCIALLY SENSITIVE INFORMATION.
HOLDRIDGE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PROCUREMENT, EQUIPMENT
Control Number: n/a
Copy: SINGLE
Draft Date: 28 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SINGAP00925
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780093-0425
Format: TEL
From: SINGAPORE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t1978023/aaaaacaf.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: f3b1b7d2-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3526087
Secure: OPEN
Status: NATIVE
Subject: PRC INTEREST IN BUYING JACK-UP RIG FROM BETHLEHEM SINGAPORE
TAGS: EQUIP, CH
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/f3b1b7d2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014